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## THE INTERGOVERNMENTAL PERSONNEL ACT OF 1966

Mr. MUSKIE. Mr. President, I am pleased to introduce a bill to enable greater collaboration in personnel matters between and among the levels of government in order to improve the administration of Federal grant-in-aid programs and to strengthen the public service of the States and their localities.

### THE STATE AND LOCAL MANPOWER CRISIS

For over three and a half years the Subcommittee on Intergovernmental Relations of the Committee on Government Operations, which I am privileged to chair, has been examining the critical, but largely misunderstood, topic of Federal-State-local relations. On the basis of the subcommittee's diverse legislative and research undertakings, I am now convinced that the success of the Great Society programs—and indeed, perhaps the future of American federalism—largely depends on whether or not we recognize and overcome the crisis in governmental manpower, especially as it involves State and local governments. In his May 11 address at Princeton University, President Johnson took note of this crisis and called for a joint effort to surmount it.

But to date, we at the national level have acted largely as though the crisis does not exist. During the past five sessions of Congress we have developed the most impressive package of Federal legislation since the New Deal to attack poverty, ignorance, uneven economic development, discrimination, and urban blight and sprawl. For the most part we have utilized the categorical grant-in-aid device as the basic weapon in this many-faceted attempt to achieve a social and economic betterment of all our people. But the grant-in-aid involves joint efforts, not simply Federal efforts. It involves joint action, not just Federal action. It involves the utilization of governmental manpower at all levels, not merely the Federal.

The grant-in-aid today is the most striking symbol of cooperative federalism. Yet its effective use constitutes one of the greatest challenges to creative federalism. And in the final analysis, our heavy reliance on the grant mechanism has made the governmental manpower crisis a crisis of contemporary federalism.

Most of us are unaware of the extent to which we have turned to the grant-in-aid in our efforts to implement the Eisenhower program, to chart the New Frontier, and to establish the Great Society. From 1955 through 1967, total

Federal aid to State and local governments will have more than quadrupled—rising from \$3.1 billion in 1955 to an estimated \$14.6 billion in 1967. And in number, these programs have reached the 170 mark. In relative terms, this growth has been fairly modest. Witness the fact that Federal aid as a percentage of State and local revenue during this 13-year period increased by only approximately 5 percent. But this gradual growth highlights indirectly the extraordinary effort that State and local governments have made to resolve their fiscal crisis. During this same 13-year period, State and local expenditures will have more than doubled—rising from \$34.5 billion in 1955 to approximately \$84 billion for fiscal 1967. The increase in the number and amount of Federal aid available to State and local governments, then, is not the most significant factor in the total State-local fiscal picture, but it has thrust greater burdens on an already strained intergovernmental system.

State and local employment, for example, reached the 8 million mark last year. This represented a half million increase over the 1964 figure, a 2.2 million rise from the 1961 figure, and a 4.7 million hike from the 1946 employment level. By way of contrast, the Federal Government employed 2.6 million workers in 1965, or 60,000 more than in 1964. This figure was 200,000 above that of 1961, but 100,000 less than in 1946. These comparisons dramatically highlight the strenuous efforts State and local governments have made in the past two decades to meet the demand for more public services.

A breakdown of the 8 million State-local employees, by jurisdictional categories, is equally striking. State governments now account for over one-fourth of the State and local total. Counties have one-eighth of all such employees, while municipalities engage nearly one-fourth, and school districts a little less than a third. Townships employ 3.5 percent, and other special districts, 2 percent of the total. From 1961 to 1965, the States, other special districts, townships, school districts, and counties—in that order—experienced the greatest increase in employment.

Changes in occupational categories further highlight the impact of public demand for new or improved State and local governmental services. From April 1957 to October 1965, the number of full-time State and local highway workers rose by 24 percent. Employment in police protection increased by 30 percent, and in public health and hospitals by 41

percent. The number of full-time public employees in education soared by 60 percent, and those in public welfare, by 62 percent. Much of this massive growth in State and local employment can be attributed to the population explosion and the demand for expanded services generated by it. The physical and social problems stemming from urbanization and suburbanization, however, have been other key factors in developing greater needs for police, fire, housing, sanitation, welfare, and other public services. In addition, one of the byproducts of our affluent society is the rise in popular expectations with respect to governmental services. To put it more bluntly, the American citizenry is not willing to settle for the level and quality of services that were provided three, or even two, decades ago.

### THE FEDERAL RESPONSIBILITY

The crisis in State and local employment, however, also bears a close relationship to expanded Federal programs and activity. Federal programs in highway construction, education, urban renewal, housing, water pollution control, and poverty—to mention only a few—have produced new and urgent personnel needs at the State and local levels. Moreover, other new legislation in the fields of primary and secondary education, the aged, and medical assistance—if inadequately planned for—will only aggravate this manpower crisis.

Much of the recent Federal aid legislation sets only general goals and provides the funds necessary to achieve them. The job of implementation falls to the States, the counties, and the cities, which then have to "staff up" to accomplish the objectives of this legislation. Further, some Federal aid programs simply make money available to the States and municipalities for developing their own plans for use of such funds. In these instances, Federal agencies merely play the role of disbursing agent to underwrite plans and projects initiated and developed at the State and local levels. Finally, many of these Federal efforts generate counterpart efforts at other levels of government, with many States and localities enacting legislation in program areas similar to those covered in Federal legislation.

In these various ways, congressional action directly or indirectly has contributed to the extraordinary growth of public employment at the State and local levels. So, the States now employ more than 2 million workers with a monthly payroll of \$850 million, and

local governments employ nearly 6 million workers with a monthly payroll of \$2.5 billion.

We have reached the point where, on a day-to-day basis, intergovernmental relations are primarily administrative relations. As the recent subcommittee survey, "The Federal System as Seen by Federal Aid Officials," pointed out, the authorizing statutes, the funds, and the legislative oversight which affect Federal-State-local relations come from legislative bodies. Policy directives, budgetary review and control, and administrative rules and regulations come from top management policymakers. Advice, assistance, and support, as well as complaints, criticism, and censure, come from officeholders, individual citizens, and interest groups at all levels. These basic forces in our pluralistic political system shape and sustain the intricate pattern of today's intergovernmental relations. But the "wheelhorses of federalism" are administrative, professional, and technical personnel—the Federal middle-management aid officials, their fieldmen, and their functional counterparts at the State and local levels. We must focus our attention, then, on the largely unexplored topic of intergovernmental manpower if our efforts to achieve a creative federalism are to succeed.

The various growth figures I have cited indicate that State and local governments are vigorously attempting to provide the manpower needed to administer the new joint-action programs as well as their own. They suggest that present Federal efforts in this area are inadequate, since they are geared largely to the needs of certain grant programs and to certain categories of specialized personnel administering them. They indicate that the Federal Government has a greater responsibility to provide financial, technical, and other forms of assistance to the States and localities to help them mount a broad attack on this manpower crisis. And they indicate the critical need for the legislation I am introducing today.

Economy and efficiency compel our concern, for the wisest use of the Federal grant-in-aid dollar depends upon how well we meet this challenge. Improved public administration makes it necessary, since the success of these various programs depends on our ability and willingness to solve this critical problem. Improved intergovernmental cooperation requires it, for conflict between and among administrators is one of the major sources of friction in contemporary Federal-State-local relations. Finally, manpower needs of State and local governments in the years immediately ahead clearly dictate that the Federal Government must join with the other levels of government in helping to surmount this crisis.

Present estimates indicate that total governmental employment will reach the 13 million mark by 1975. As in the past two decades, nearly all of the increase will be in State and local governmental agencies. Continued population growth and the migration of people from rural to urban areas, and from cities to sub-

urbs, will raise the requirements for public health services, education, police and fire protection, sanitation, street and highway maintenance, welfare, and other services. Consequently, State and local government employment is expected to rise by more than 38 percent between now and 1975, whereas little change is expected in Federal employment—barring, of course, major unemployment, big wars, or other national catastrophes.

There already exists a shortage of well-trained and highly qualified administrative, professional, and technical personnel at all levels of government, and forecasts indicate this gap will grow. Many well-trained and well-qualified employees in State and local governments were hired during the depression years and are now approaching retirement age. More than one-third of all municipal executives fall in this category and will retire within the next decade. In certain specialized categories, however, the proportion is even higher. Half of the Nation's municipal health directors, for example, will be eligible for retirement within the next 10 years. And a recent survey of New York City revealed that one out of every five budgeted positions of a professional, managerial, or technical nature—excluding education—was vacant. Many others were filled with people not fully qualified. More or less similar conditions exist in many other of the Nation's cities. By 1980, local governments will have to recruit approximately 300,000 additional administrative employees to achieve their current program objectives.

When the long-term implications of recently enacted programs are considered, this manpower gap widens. Witness these facts: That, as of 1964, it was estimated that the Nation's counseling personnel would have to be increased during the subsequent 3 years by approximately 90 percent to meet the new requirements for public schools, public employment offices, and other governmental agencies; that there will be an estimated 3,000 vacancies each year for trained, recreation workers, but only about 600 persons complete preparation for this occupation annually; that there will be 200 traffic engineer vacancies occurring annually, but there are only approximately 50 new graduates in this specialized area; that there will be at least 2 vacancies for every graduate of a university course in city management; and that between 1960 and 1970, according to the Manpower Commission's report, the overall demand for professional and technical personnel at the local level will have increased by 40 percent.

These current and projected estimates of governmental manpower shortages have implications extending far beyond the individual States, communities, and programs that are affected. They indicate that we can take no great comfort in the fact that State and local employment has reached the 8 million mark. They indicate that State and local governments generally—not just a few of these jurisdictions—are having difficulty in attracting and holding professional, managerial, and technical personnel, and that these levels will experience even

greater difficulties in the future. They suggest that decisionmakers at all levels of Government are not yet fully aware of the critical nature of this manpower gap, and that long-range planning in this area is in its infancy. They further corroborate John W. Gardner's assessment—in his book on "Excellence"—that:

\* \* \* The demand for high-talent manpower is firmly rooted in the level of technological complexity which characterizes modern life, and in the complexity of modern social organization. And more important than either of these is the rate of innovation and change in both technological and social spheres. In a world that is rocking with change we need more than anything else a high capacity for adjustment to changed circumstances, a capacity for innovation.

And finally, these estimates document the need for a national policy on intergovernmental personnel. The legislation I introduce today provides such a policy.

#### CHARTING A COURSE

The proposed Intergovernmental Personnel Act does not purport to solve all the manpower problems faced by State and local governments. There is, of course, no panacea for the absolute shortages in the country in certain professional fields. The Federal Government in a variety of ways is now assisting in the professional education of many in these fields. But these measures are geared to specific Federal program needs and specific types of personnel. They must be supplemented to meet the particular staffing requirements of State and local public agencies. Personnel administration in the States and localities must be equipped to deal with the whole range of State and local job needs. Practical methods must be devised for recruitment, selection, utilization, and development within the realities of current supply and demand. At the same time, a rational plan for meeting projected needs must be devised and initiated. This legislation will encourage the development of such methods and plans.

The act deals directly with three major hurdles confronting State and local governments in recruiting and holding qualified employees. A fourth—low salary schedules—is not so directly considered, but it is a topic that cannot be ignored. Generally, State and local salary schedules—though better today than they were a few years ago—are still lower than those at both the Federal Government and private industry. The Municipal Manpower Commission report found:

Salaries are a major source of dissatisfaction among more than one-third of all municipal executives—

And that—

nine out of ten believe that their salaries are not as high as comparable positions [carry] in private business, and 60 percent believe that Federal salaries would also be higher.

Not so long ago, Clarence B. Randall, the distinguished Chairman of the Panel that President Kennedy appointed to review Federal salary policy, wrote:

Inadequate Federal pay poses two problems that seriously hamper Federal agencies' operation. It's a tossup in the Federal service whether getting the best people is more difficult than keeping the good ones. \* \* \*

Inadequate compensation is one of the principal reasons for reluctance to enter Federal service. In fact, it frequently eliminates groups of potential candidates for Federal positions. On others it imposes severe financial sacrifices. First there are those who have not yet reached the top of their career ladders and who are still faced with such real problems as mortgages and their children's education. \* \* \* Not so generally known are the problems associated with filling second echelon positions. \* \* \*

I do not contend that government salaries should be identical with those in industry. On the contrary, I never want to see the money seekers go into government. \* \* \* But the present disparity between public pay and private pay in the leadership positions is a scandal. It must be corrected or the United States will not be able to fulfill the high destiny to which it has been called in this difficult modern world.

While Mr. Randall was primarily concerned with Federal pay scales—and it should be noted that his panel's recommendations were instrumental in enactment of the Federal Salary Reform Acts of 1962 and 1964—his remarks have no less relevance to the States and their localities. The report of the Municipal Manpower Commission and the survey of Federal aid officials conducted by the Intergovernmental Relations Subcommittee clearly indicate that low pay and the resulting high personnel turnover have served to put many State and local governments at a competitive disadvantage. And the latest figures—July 1, 1965—for specific State and local professional and technical positions, indicate that, despite some recent improvements, salary schedules are still a critical problem. A few case studies will illustrate my point:

The average annual salary of a State hearings referee ranges from \$7,750 minimum to \$9,737 maximum. Such referees are responsible for preparing, conducting, and deciding quasi-judicial hearings involving questions of statutory compliance, claims, and violations of regulations in issues between State departments and other parties; they usually must have an A.B. and a law degree.

The average annual salary of an unemployment claims deputy ranges from a minimum of \$5,237 to a maximum of \$6,604. This technical position involves non-monetary determinations on unemployment insurance claims, including the adjudication of questionable or contested claims; successful applicants must possess considerable prior experience or college training.

The average salary for public assistance case worker supervisors ranges from a minimum of \$5,810 to a maximum of \$7,762. This post involves professional social work at the local level and immediate supervision and development of a group of case workers; it usually requires training in a graduate school of social work.

The annual pay of sanitarians ranges from a minimum of \$5,142 to a maximum of \$6,592. This professional position in environmental sanitation work involves control of communicable diseases, promotion of health and safety, and the solution of environmental health problems; it usually requires a college degree with specialization in the physical and biological sciences.

The mean salary of a public health nurse ranges from a minimum of \$4,778 to a maximum of \$6,194. This position usually requires graduation from an accredited school of nursing, State registration, and a program of study in public health nursing, or appropriate public health nursing experience.

The average salary of vocational rehabilitation counsellors ranges from an annual minimum of \$6,051 to a maximum of \$7,712. Such counsellors are responsible for initiating and carrying out rehabilitation processors for persons who are physically and mentally handicapped. The position usually requires a college degree and some experience in the field of vocational guidance, psychology, social work, personnel work, or industrial relations.

The average salary of an administrative officer in a State's Civil Defense program ranges from a minimum of \$6,893 to a maximum of \$8,819. An employee in this position provides administrative assistance in the personnel, budgetary, and fiscal areas to Civil Defense offices; the position usually requires a college degree and considerable experience in the field of general administration, office management, or a combination of both.

In light of these and other findings, I am convinced that the President and the Advisory Commission on Intergovernmental Relations should join in launching a national study of State and local salary reform. The issue is that critical. Constitutional barriers and the dictates of interlevel comity bar direct consideration of this question in the proposed legislation. But certain of its provisions bear indirectly on such reform—including those sections which seek respectively to strengthen the merit system, upgrade classification and salary schedules, and improve training programs in these jurisdictions.

(1) THE MERIT SYSTEM IN GRANT-IN-AID PROGRAMS

A basic problem in the intergovernmental personnel field concerns the merit principle, and particularly as it applies to Federal grant-in-aid programs. The proposed Intergovernmental Personnel Act deals directly with this controversial issue. My experience as a State legislator, as Governor of the State of Maine, and as a U.S. Senator convinces me of the validity of this principle. I strongly believe that an open system of public employment, operating under public rules and based, among other factors, on competitive examinations, equal pay for equal work, tenure contingent on successful performance, and promotion on evaluated capacity and service, provides one of the surest foundations for the development and maintenance of an efficient career civil service based on excellence. Equally important, it meets the democratic objective of equal opportunity.

The beginnings of State and local civil service, based on the merit principle, first appeared in the 1880's, following the enactment of the Federal legislation. Thanks to the efforts of the National Civil Service League and others, additional jurisdictions subsequently adopted the system. But widespread acceptance did not come until the 1930's. Beginning with an amendment to the Social Security Act in 1939, the Federal Government contributed to this development by specifying standards which would bind State and local agencies to such requirements if they received Federal funds under certain grant programs.

In spite of these advances and some recent improvements in a few of the larger

States and in some municipalities, only 28 States and only our larger cities today have a merit system covering employees in most of the executive departments; 22 States and most of the smaller local jurisdictions only apply the principle selectively. In these 22 States, the merit principle applies in all instances to departments administering those few federally aided programs subject to merit requirements, but in only some instances to employees of one or more other departments. In these States, the impact of those grants—based on approximately nine statutes and administered by the Departments of Health, Education, and Welfare; Labor; and Defense—has been a primary if not exclusive factor in encouraging the merit principle.

Is this record adequate? I think not.

I am completely aware that formal merit systems based on detailed examination, promotion, dismissal, and other factors may not prevent political sabotage of the principle. I am also aware that a patronage-based system of personnel administration may produce at any given time a competent civil service with high morale. In general, however, I am convinced that the application and extension of the formal requirements have had a salutary effect. And I am convinced that the arguments President Roosevelt advanced in his message calling for application of the merit principle to the social security program are as valid today as they were in 1939:

\* \* \* I recommend that the States be required, as a condition for the receipt of Federal funds, to establish and maintain a merit system for the selection of personnel. Such a requirement would represent a protection to the States and citizens thereof rather than an encroachment by the Federal Government, since it would automatically promote efficiency and eliminate the necessity for minute Federal scrutiny of State operations.

For these reasons, I believe merit standards should be added to more grant-in-aid programs as a condition for eligibility.

Title I of the Intergovernmental Personnel Act of 1966 provides for this by authorizing the President to require, insofar as he deems practicable, that, as a condition for receiving Federal funds under any grant program, personnel engaged in its administration must be employed under a merit system meeting Federal standards. This discretionary provision recognizes the difficulties of extending the merit system to all grant-in-aid programs. More particularly, it recognizes the troubles inherent in attempting to apply it to many of the recently enacted programs. At the same time, it encourages action in those grant programs which involve substantial Federal funds and are ongoing, rather than experimental, ventures. The Federal highway program immediately comes to mind as an excellent candidate.

The proposed legislation also seeks to strengthen the merit system by providing that the grants authorized for improving State personnel administration under title II be used to strengthen or extend the career civil service of the State. To sum up, the Federal Govern-

ment, a majority of the States, most of the larger cities, and nearly all of the experts in the field recognize the relationship between attracting and retaining competent public administrators and the presence of a viable merit system. These provisions of the Intergovernmental Personnel Act are based on this relationship.

(2) OVERALL PERSONNEL ADMINISTRATION

Aside from the Federal interest in more effective administration of grant programs, there is a clear Federal interest in strengthening the overall personnel management of the States and their localities as partners in the federal system. The absence of an effective system of personnel management contributes to the manpower difficulties now confronting State and local governments. Both the merit principle and modern management techniques require such a system, which calls for imaginative recruitment efforts and sophisticated examination techniques; an intelligent placement system, which fits the man to the job, and a fair and rewarding promotion system; the development and continuous updating of a position classification plan, since the grouping of positions into classes helps to identify questions of pay, lines of promotion, requirements for transfer, and other basic administrative questions; the meaningful development of the time-honored concept of a career service, in which advancement is not limited merely to service in one agency; and planning for the manpower needs of the years ahead.

These are but a few of the basic objectives of good personnel management. Concern with the merit system initially prompted the development of examinations and classification plans. And the requirements of modern management and modern government have modified and expanded the original list of personnel administrative functions. Yet, in nearly all of the States and localities that lack a general civil service system, personnel management, in practice, is usually limited to the job classification and salary setting functions. Even in those States possessing a viable merit system, conflicts between the policing efforts of the Civil Service Commission and the management concerns of the Governor—his staff and personnel officer—sometimes have impeded improvements in this area.

In general, then, State and local resources for public personnel administration have not kept pace with the growth of the programs they administer. With few exceptions, State and local personnel agencies have not been equipped or given additional support for new workloads. The inadequate support of personnel planning and operations has left many personnel agencies short of needed professional personnel, including trained job analysts, personnel psychologists and training staff. For example, only 10 States have as many as 25 professional, administrative, and technical employees in the State civil service or merit system agency to handle their continuing responsibilities, let alone undertake

broadened activities. Yet State and local personnel agencies must cope with new needs and new problems.

The Intergovernmental Personnel Act of 1966 recognizes these needs and attempts to come to grips with these problems. Title II of the proposed legislation authorizes grants to enable States to strengthen their systems of personnel administration, to provide State personnel services to smaller jurisdictions of local government, and to stimulate projects for the improvement of personnel administration in their larger cities. To qualify, States would need to develop programs of personnel improvement which might cover such topics as: expansion of the coverage of a State merit system; planning for manpower needs; improvement in one or more of the traditional areas of recruitment, examination, position classification plans, and compensation schedules; or possibly research and demonstration projects in the new areas of electronic data processing and motivational research.

Title II also seeks to improve the personnel administration of smaller units of local government. Grants are authorized for the development of State plans that might involve broader coverage of local employees under a State merit system, State technical personnel services to such units of government, cooperative research and demonstration projects in this field, or cooperative intergovernmental efforts relating to loans, transfers, or promotions of personnel. The title assigns full responsibility to the States for developing their own programs and a coordinating role for their local jurisdictions.

There is a need for pioneering efforts in State assistance to nonmetropolitan local governments. At the local level, the smaller jurisdictions are not in a position to establish modern personnel systems that meet the need for broader recruitment for professional personnel or for attracting able young men and women who regard these initial jobs as rungs on the career ladder rather than as blind alleys. Intergovernmental cooperation with the possibility of increased mobility can help meet these problems.

Self-contained local personnel systems present certain problems of parochialism even in our larger metropolitan governments. They are simply not feasible for the smaller nonmetropolitan governments in terms of either the expense or the availability of technical services. Hence there is a need for State services to the nonmetropolitan governments. The act provides for a variety of services ranging from merit system coverage to more limited specialized services.

Part C of the title authorizes a separate program of Federal assistance for personnel improvement in our larger cities. There is a pressing need for innovative activities in our metropolitan areas. The shortages of professional, administrative, and technical personnel require planned recruitment, selection to assure the intake of a fair share of young talent, and a long-range staff development pro-

gram covering various occupational fields. Imaginative job analyses can lead to the establishment of new types of auxiliary jobs to help meet the absolute shortage in many professional and technical fields. They also may open up opportunities for job training and employment for many of the disadvantaged. While public personnel administration is not a social program designed to solve the problem of employment of the disadvantaged, governments, as large employers, can and should show leadership in this area.

The act provides for project grants for metropolitan personnel administration in order to permit a wide range of experimentation and demonstration projects to strengthen personnel administration and meet urgent manpower problems. These grants may be used for personnel planning, for upgrading or establishing personnel agencies, for improving personnel operations in specific functions, or for initiating pilot projects designed to meet current and projected needs.

The States are given the initial opportunity to work with the cities in developing project proposals under this section, with special emphasis on the particular problems of our larger metropolitan units of general local government. But if a State fails to submit any projects after one year, individual metropolitan units may then initiate their own projects. This approach, I feel, recognizes the necessary coordinating role of the States in personnel management, while permitting direct Federal-local efforts in cases of State inaction.

Title II, it should be noted, would be administered by the Department of Health, Education, and Welfare. More specifically, it is anticipated that HEW's Division of State Merit Systems would assume primary responsibility for its administration. This division has had more practical experience with State personnel systems than any other unit in the Federal Government, thanks to the merit requirements of many HEW grant programs. Moreover, it already has a tradition of extending technical assistance to State and local governments which have sought out its assistance in upgrading their civil service. The concurrence of the Department of Housing and Urban Development, however, would be required before HEW could approve projects for metropolitan jurisdictions.

In addition to the grants authorized for State and local personnel administration under title II, the proposed legislation provides another means for improved intergovernmental collaboration in this field. Title V of the act authorizes the Civil Service Commission to join on a shared-cost basis with States or units of general local government, or both, in cooperative recruitment or examinations under mutually agreeable regulations. Some authorities believe the Commission already possesses this authority, but the same authorities concede that adequate provision is lacking with respect to financing such joint activity. This title provides a statutory

basis for the Commission's authority to enter into such cooperative arrangements, and it settles the financial question by adopting the shared-cost formula.

In these ways, the proposed legislation squarely confronts many of the more significant personnel management problems confronting State and local governments today. The amounts authorized are modest, and the cooperative arrangements are permissive. But the funds will be seed money well spent, and the devices for cooperation will encourage a concerted attack on what we must now concede to be a joint problem.

### (3) TRAINING

Inextricably linked to the merit system and personnel management problems is the need for more and better training opportunities. Ideally, such a program should include provision for orientation, in-service and out-service training, tuition refund, and educational leave. It should be rooted in the career service ethic and imply future prospects that reward special effort on the part of employees. Our concern here is training within the service after appointment, not education for public service prior to appointment. The latter, of course, deserves the consideration of all of us, and hopefully title I of the Higher Education Act of 1965 will resolve some of the problems in this area.

The manpower shortages I have described, along with the mounting technological, social, and economic changes affecting the activities of State and local governments, underscore the emphasis that all of us should give to establishing and strengthening training programs at these levels of government. Many legislators, administrators, and other public officials now recognize the need for such programs. Yet only California, New York, Michigan, and a few other States have training programs for top management. Others provide some training for other key personnel. But according to a recent survey conducted by the International City Managers Association, most of the States have no training or development programs for administrative, technical, and professional personnel. And no city has anything approaching a model training program.

Most existing training is still designed to improve the skills of routine office-workers, policemen, and firemen. Moreover, training programs stimulated by Federal grants-in-aid are largely geared to specific functional specialties. Such inservice training and educational leave are valuable, of course, but they do not meet the growing requirements of State and local governments for more and better administrative, professional, and technical talent. The report of the Municipal Manpower Commission and the survey of the Federal aid officials by the subcommittee fully document the need for a Federal response to this critical personnel management deficiency.

The Intergovernmental Personnel Act attacks this problem of training in four ways. First, title III authorizes Federal departments and agencies conducting programs for their professional, admin-

istrative, and technical employees to open them up to State and local personnel in counterpart agencies. The States or localities would initiate the request to participate, and fees for attendance could be waived for employees in short-supply categories.

Second, Federal departments or agencies administering grant-in-aid programs are authorized to establish training programs for counterpart State and local personnel in the professional, administrative, and technical fields. Such agencies are authorized to make grants to States and localities from Federal funds appropriated for administrative costs of the program to cover the expenses of such training. In addition, such Federal agencies are permitted to make grants from such funds for educational leave or comparable arrangements for salaries and training expenses of merit system employees in short-supply areas, to permit them to attend university or other training courses related to their program.

Third, title IV establishes a grant-in-aid program for inservice training of State and local employees. This provision is geared to promoting high levels of performance of such personnel, particularly in the professional, administrative, and technical areas, and the development of employee potential by providing Federal funds for State and local governments to initiate or strengthen training programs for their own public servants. Such assistance would be available only in personnel areas where comparable aid is not already provided under other Federal statutes. The pattern of Federal assistance here roughly parallels that of title II, except that the Civil Service Commission would be the administering agency.

The States would be given the primary responsibility for developing plans for the training of their employees and the initial responsibility for joining with local governments in the development of training programs for local personnel. Such plans would include provisions for a continuing assessment of training needs, for equitable standards relating to the selection and assignment of personnel for training, and for efficient utilization of personnel receiving training—including continued service for a reasonable period of time. Educational leave or other arrangements for salary and training payments for periods in excess of a month in any one calendar year would be permitted only for career personnel employed under a merit system. In addition, a State plan would include guidelines covering the selection of universities or other nongovernmental facilities, when such institutions are to be used for training purposes.

The title also authorizes units of general local government in a State, either jointly or separately, to submit a training plan if, within a year from the effective date of the act, the State fails to submit a proposal which includes substantial provisions for training local government employees. Such project applications would have to meet the same general requirements applying to State plans and the administrative regulations

established by the Civil Service Commission. In addition, the concurrence of the Secretary of Housing and Urban Development would also be required for project approval, to assure full consideration of the special training problems of our Nation's cities.

It is important to understand what this title does not provide. It does not, for example, distinguish between metropolitan and nonmetropolitan units of local government, since the problems relating to inservice training differ materially from those falling under the traditional heading of personnel administration. It does not compete with title VIII of the Housing Act of 1964 which, among other things, authorizes matching grants to the States for developing and expanding programs to provide special training in skills needed for economic and efficient community development to technical and professional people who are employed or are being trained for employment in a governmental body which has responsibility for such development. That Housing Act title is primarily concerned with a comparatively narrow range of vocational specialties and, it should be noted, has yet to be funded.

Title IV also is not intended to duplicate or compete with title I of the Higher Education Act of 1965. That Act authorizes the Commissioner of Education to make grants to strengthen community service programs of colleges and universities. It is geared to institutions of higher education in the States, and to the development of an educational program designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems. To date, only a few project applications submitted under title I of the Higher Education Act of 1965 relate to the broad inservice training needs of the various categories of State and local personnel.

In short, title IV is residual. Personnel receiving training under other Federal statutes are specifically excluded from its coverage. It does not replace or restrict existing Federal training programs for a wide variety of professional personnel in grant-aided fields. But more positively, it meets the training needs of the States and their localities, as these jurisdictions see them. It emphasizes training needs as they are seen from the administrative firing line. It is designed to replace the piecemeal method that has to date characterized the Federal approach. It is geared to attacking a problem that administrators at all levels, as well as experts in public administration, have described as critical. Finally, it fully recognizes that, as President Johnson stated at Princeton:

The public servant today moves along paths of adventure where he is helpless without the tools of advanced learning.

The proposed Intergovernmental Personnel Act provides still another means for improving the in-service training capability of State and local governments. Title VI gives prior Congressional consent to interstate compacts or other agreements, not in conflict with

any law of the United States, for cooperative efforts and mutual assistance relating to the administration of personnel and training programs for State and local employees. The New England Governors' Conference already has launched a survey of the possibilities of regional collaboration with respect to personnel training programs. Building on the precedent set in the Housing Act of 1961—which gave prior congressional approval to interstate compacts establishing metropolitan agencies in multi-state urban areas—this provision hopefully will encourage expanded efforts to develop training programs on a regional basis.

#### CONCLUSION

Improved merit systems, improved State and local personnel management, and improved in-service training programs—these are the three basic concerns of the Intergovernmental Personnel Act of 1966. Put more simply, greater career competence is the paramount theme of this legislation. Through a judicious combination of grant funds, technical assistance, and new devices for intergovernmental cooperation in the personnel area, the proposed legislation provides a variety of ways to strengthen the professional standing and prestige of personnel at the State and local levels. The Advisory Commission on Intergovernmental Relations went on record at its April meeting as favoring the objectives of this legislation. And at Princeton, President Johnson called for a program of assistance to "State and local governments seeking to develop more effective career services for their employees."

Prof. Charles Adrian has pointed out that conflict in our cooperative federal system does not stem today from the relations between the levels of government as such, but that "friction results whenever the administrative personnel at a particular level for a particular function are not fully professionalized." The findings in our survey, "The Federal System as Seen by Federal Aid Officials," clearly illustrate the administrative difficulties produced by such friction.

We need greater expertise at these levels, then, because its absence is now one of the primary sources of tension and conflict in intergovernmental relations. We need it because the success of the Great Society programs depends on reducing these antagonisms. We need it because we live in an age of administrative federalism; in an age of more, not less, use of grants-in-aid; in an age of more, not less, contact among the administrative officials at all levels of government. We need it if the States and their localities are to be vigorous members in the great partnership that was established in 1789. We need it if we are—in the President's words—to "develop a creative federalism to best use the wonderful diversity of our institutions and peoples to solve the problems, fulfill the dreams of the American people."

This is precisely what the Intergovernmental Personnel Act of 1966 is all about. And that is precisely why I am introducing this measure today.

Mr. President, I ask unanimous consent that the text of the bill, together with a section-by-section analysis, be inserted in the RECORD immediately following my remarks, and that the bill lie on the table for 10 days so that other Senators may join in cosponsoring it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie at the desk, as requested by the Senator from Maine.

The bill (S. 3408) to strengthen intergovernmental cooperation and the administration of grant-in-aid programs, to extend State merit systems to additional programs financed by Federal funds, to provide grants for improvement of State and local personnel administration, to authorize Federal assistance in training State and local employees, to provide grants to State and local governments for training of their employees, to authorize interstate compacts for personnel and training activities, and for other purposes, introduced by Mr. MUSKIE, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

#### S. 3408

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Personnel Act of 1966."*

#### Declaration of Policy

SEC. 2. The Congress hereby finds and declares:

That effective State and local governmental institutions are essential in the maintenance and development of the Federal system in an increasingly complex and interdependent society.

That, since numerous governmental activities administered by the State and local governments are related to national purpose and are financed in part by Federal funds, a national interest exists in a high caliber of public service in State and local governments.

That intergovernmental cooperation in State personnel administration on a merit basis has contributed to greater efficiency in various federally aided programs and should be extended generally to such programs.

That Federal financial and technical assistance to State and local governments for strengthening their personnel administration will improve the effectiveness of the public service and is in the national interest.

That the continuing training and development of career employees, particularly in professional, administrative, and technical fields, are critical to the success of joint Federal-State-local programs and that the Federal Government should encourage and assist in such training for State and local employees.

#### TITLE I—EXPANSION OF MERIT SYSTEM IN FEDERALLY AIDED PROGRAMS

##### Declaration of Purpose

SEC. 101. The purpose of this title is to achieve greater efficiency in the administration of programs financed in whole or in part by Federal funds extending the application of personnel standards on a merit basis in the administration of such programs.

##### Personnel Standards

SEC. 102. The President is authorized to require, insofar as he deems practicable, that as a condition for the receipts of Federal

grants in any program financed in whole or in part by Federal funds, the personnel engaged in the administration of the program be employed under a State or local merit system meeting Federal standards. He is authorized to approve for this purpose standards for a merit system of personnel administration. The Federal Government, however, shall exercise no authority over the selection, tenure, or compensation of individuals employed in accordance with such system.

#### TITLE II—GRANTS FOR STATE AND LOCAL PERSONNEL ADMINISTRATION

##### Declaration of Purpose

SEC. 201. The purpose of this title is to provide Federal grants-in-aid to enable each State to strengthen its system of personnel administration, to provide State personnel services in nonmetropolitan units of local government, and to stimulate projects for the improvement of personnel administration in metropolitan areas.

##### Appropriation Authorization

SEC. 202. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1967, and each of the four succeeding fiscal years, the following sums: (a) \$10,000,000 for payments to States which have plans for State personnel administration approved under section 204; (b) \$8,000,000 for payments to States which have plans for provision of State personnel services to nonmetropolitan units of general local governments approved under section 206; and (c) \$15,000,000 for payments to States or metropolitan units of general local governments which have projects for metropolitan personnel administration approved under section 208.

##### Part A. Grants for State personnel administration

SEC. 203. (a) From the sums appropriated under section 202(a) the Secretary of Health, Education, and Welfare (hereinafter referred to as the Secretary) shall make annually grants to States which have plans for State personnel administration approved by him under section 204.

(b). The sum available annually for grants under this section shall be allotted among the States under a formula approved by the Secretary which shall give weight to the number of employees under the merit system and the financial ability of the State as indicated by its relative per capita income, except that each State will receive not less than \$25,000.

##### Requirements of State Plans

SEC. 204. A State plan for State personnel administration to be approved by the Secretary must—

(a) designate the appropriate State personnel agency for the administration of the plan;

(b) provide for a merit system conforming to the Federal standards established under this Act for a Merit System of Personnel Administration;

(c) set forth a program for the improvement and strengthening of State personnel administration which may include, among other features:

(1) expansion of the coverage of State employees under the State merit system;

(2) assessment of manpower needs in developing programs and methods for meeting them;

(3) improvement in one or more areas of personnel administration such as recruitment, examinations, classification, and compensation plans;

(4) research and demonstration projects for the use of valid personnel methods, including electronic data processing techniques;

(5) development of auxiliary or support types of positions to perform appropriate

functions currently performed in occupations in which there are now shortages; and

(6) interdepartmental and intergovernmental cooperation in personnel administration;

(d) provide for financial participation by the State in the costs of merit system administration at least equal in amount to the Federal grants, and further provide that the operation of the plan will not result in a reduction in State expenditures for such administration or the substitution of Federal for State funds previously available for merit system administration; and

(e) provide that the State agency will make such reports in such form and containing such information as the Secretary may from time to time require, and shall keep and make available such records as he may require for the verification of such reports.

*Part B. Grants for State personnel services to nonmetropolitan units of local government*

SEC. 205(a). From the sums appropriated under section 202(b) the Secretary shall make annually grants to States which have plans approved by him under section 206 for services to nonmetropolitan units of general local government.

(b) The sum available annually for grants under this section shall be allotted under a formula approved by the Secretary which shall give weight to (1) the number of employees and number of local governments served, (2) the scope of State services provided, and (3) the financial ability of the State as indicated by its relative per capita income, except that each State shall receive not less than \$25,000.

*Requirements of State plan*

SEC. 206. A plan for State services on personnel administration to nonmetropolitan units of general local government to be approved by the Secretary must—

(a) designate the State agency, which may be the agency designated under section 204, for the administration of the plan;

(b) set forth a program for improvement and strengthening of personnel administration of such local governments by one or more of the following means:

(1) the coverage of local employees under the State merit system;

(2) technical services in one or more areas of personnel administration such as recruitment, examinations, classification and compensation plans;

(3) cooperative research and demonstration projects for the use of valid personnel methods; or

(4) intergovernmental cooperative arrangements between the State and local governments or among local governments, including facilitating interjurisdictional loans, transfers or promotions of personnel;

(c) provide for financial participation by State or such local governments, or both, in the costs of providing services at least equal in amount to the Federal grants, and provide further that the operation of the plan will not result in a reduction in State and local expenditures or a substitution of Federal for State or local funds for personnel administration; and

(d) provide that the State agency will make such reports in such form and containing such information as the Secretary may from time to time require and shall keep and make available such records as he may require for the verification of such reports.

*Part C. Grants for personnel administration in metropolitan areas*

SEC. 207(a). From the sums appropriated under section 202(c) the Secretary shall make annually payments to States or metropolitan units of general local government which have projects approved by him under section 208.

(b) The Secretary of Health, Education, and Welfare, with the concurrence of the Secretary of Housing and Urban Development, shall establish such standards for the distribution of grants under this section among the States and among such metropolitan units as will most effectively carry out the purposes of this Act, and shall establish regulations for financial participation by States or such units, or both, in an amount equal to at least one-third of the costs of each project, including the reasonable value of facilities and personnel services made available by the State or such local government for the administration of the project.

*Project requirements*

SEC. 208. Projects to be approved for grants under section 207 shall conform to criteria established in regulations which shall be issued by the Secretary of Health, Education, and Welfare, with the concurrence of the Secretary of Housing and Urban Development. Grants will be used, in accordance with such regulations, for projects for strengthening personnel administration on a merit basis in order to meet increasingly critical problems of administration in metropolitan units of general local government. Projects may include, but are not limited to—

(1) assessment of manpower needs in developing programs and methods for meeting them;

(2) improvement of classification and compensation plans, and recruitment and examinations, particularly for professional, administrative and technical personnel in shortage categories;

(3) application of psychological and other research in personnel administration directed toward improvement of selection and development of members of disadvantaged groups whose capacities are not being fully used;

(4) plans for establishing auxiliary or support types of positions to perform appropriate functions currently performed in occupations in which there are now shortages;

(5) research and demonstration relating to techniques, such as electronic data processing, for improving the speed and quality of personnel operations; and

(6) cooperative activities in recruitment and examining by governmental jurisdictions operating in metropolitan areas.

*Exception—Submittal of Local Projects*

SEC. 209. After the expiration of one year from the date of enactment of this Act, if a State has not submitted any projects under section 208 of this title which have received approval, the metropolitan units of general local government may submit projects for approval, and such projects may be approved if they comply with the requirements of section 208.

*Administration*

SEC. 210. The provisions of this title shall be administered by the Secretary, who is authorized to furnish such technical assistance to States or units of general local governments and to prescribe such regulations as may be necessary to carry out the purposes of this title.

*Suspension of Grants*

SEC. 211. Whenever the Secretary, after giving reasonable notice and opportunity for hearing to the State or local agency administering a plan approved under this title, finds (1) that such plan has been so changed that it no longer complies with the provisions of this title, or (2) that in the administration of the plan there is a failure to comply substantially with any such provision, the Secretary shall notify such agency of his findings and no further payments will be made to the State or other recipient under this title (or in his discretion further pay-

ments will be limited to projects under, or portions of, the plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply.

*TITLE III—AUTHORIZATION FOR TRAINING*

*Declaration of Purpose*

SEC. 301. The purpose of this title is to foster the training of State and local employees by permitting their attendance at Federal courses, and by authorizing Federal departments or agencies administering grant-in-aid programs to conduct training and to permit Federal grants to States and localities to be used for training and educational leave.

*Participation in Federal Programs*

SEC. 302. Any Federal department or agency conducting training programs for professional, administrative, or technical employees in the Federal service is authorized to include in such programs, under conditions imposed by the head of such agency, State and local officers and employees in similar or related functions, on the request of the State or local government. Fees for attendance at any such training program may be received by the Federal agency conducting it and expended in the same manner as fees received for attendance of Federal employees, or the payment of fees may be waived in occupational categories determined by the head of the Federal department or agency to be in short supply.

*Training in Grant-Aided Programs*

SEC. 303. Any Federal department or agency administering a program of grants or financial assistance to States and localities is authorized (a) to conduct training for State and local officers and employees in professional, administrative, and technical fields related to such programs; (b) to make grants to State and localities from Federal funds appropriated for State or local administrative expenses of the program, under the usual terms and conditions of such grants, for the conduct of training for State and local officers and employees in such program; and (c) to make grants to State and localities from Federal funds appropriated for State or local administrative expenses of the program, under the usual terms and conditions of such grants, for educational leave or comparable arrangements for salaries and training expenses of employees in professional, administrative, and technical fields who have been employed under a merit system of personnel administration in State or local agencies administering the federally aided program, in order for them to attend university or other training courses related to the program.

*Saving Provision*

SEC. 304. The authorizations in this title are not a limitation on existing authority under law for Federal departments or agencies to conduct training or to make grants for training or educational leave.

*TITLE IV—GRANTS FOR TRAINING OF STATE AND LOCAL EMPLOYEES*

*Declaration of Purpose*

SEC. 401. The purpose of this title is to promote higher levels of performance of employees in the public service, particularly in professional, administrative, and technical fields, and the development of employee potential by providing Federal assistance to State and local governments to institute and carry out programs for the training of their employees in fields where such Federal assistance is not already provided under grant-in-aid or other statutes.

*Appropriation Authorization*

SEC. 402. There is hereby authorized to be appropriated the following sums for payments to States and units of general local government which have plans approved under this title for the training of their employees: \$10,000,000 for fiscal year 1967, \$25,-

000,000 for fiscal year 1968, and \$50,000,000 for each of fiscal years 1969, 1970, and 1971.

#### Grants Authorized

Sec. 403(a). From the sums appropriated under section 402 the Civil Service Commission (hereinafter referred to as the Commission) shall make annually grants to States or units of general local government which have plans approved by it under sections 404 and 405, respectively.

(b) The sums available annually for grants under this section shall be allotted among the States, and between States and units of general local government in a State, under formulas to be approved by the Commission which shall give weight to the number of State and local employees, the number of local governments participating, the scope of training to be provided, and the financial ability of the State as indicated by its relative per capita income, except that each State will receive not less than \$25,000 for fiscal year 1967 and \$50,000 annually thereafter.

#### Requirements of State plans

Sec. 404. A State plan for training of officers and employees to be approved must—

(1) designate the State agency for the administration of the plan;

(2) set forth a program for the training of officers and employees of States and units of general local government which will meet the objectives of this title and provide for training personnel of agencies not receiving assistance under other Federal programs;

(3) provide for continuing assessment of training needs;

(4) set forth equitable standards for the selection and assignment of personnel for training;

(5) provide for the efficient utilization of personnel who have been given such training, and for their continued service for a reasonable period of time;

(6) provide that educational leave or other arrangements for payment of salary and training expenses for periods in excess of one month in any one year shall be allowed only for career personnel employed in accordance with a merit system;

(7) set forth, when training is to be given through university or other nongovernmental facilities the policies with respect to the selection of such facilities and the types of agreements to be entered into for the training; and

(8) provide for financial participation by the States, the units of general local government thereof, or from private sources, in an amount equal to one-fourth of the cost of the training, including the reasonable value of facilities and personal services made available for administration of the training, provided that the operation of the plan will not result in a reduction in State and local expenditures or substitution of Federal for State or local funds for training.

#### Exception—Submittal of Local Plans

Sec. 405. If after one year from the effective date of this Act, a State has not submitted and had approved a plan under section 404, including provision for training of local governmental employees involving expenditures at least equivalent to the expenditures for training of State government employees, one or more units of general local government in the State jointly or severally may submit a plan for such training during the following fiscal year, designating a single local agency for administration and otherwise conforming to the requirements of section 404 under regulations which shall be prescribed by the Commission with the concurrence of the Secretary of Housing and Urban Development.

#### Administration

Sec. 406. The provisions of this title shall be administered by the Commission, which

is authorized to furnish such technical assistance to States or units of general local government and to prescribe such regulations as may be necessary to carry out the purposes of this title.

#### Suspension of Grants

Sec. 407. Whenever the Commission, after giving reasonable notice and opportunity for hearing to the State or other agency administering any plan approved under this title, finds (a) that a State or other plan has been so changed that it no longer complies with the provisions of this title, or (b) that in the administration of the plan there is a failure to comply substantially with any such provision, the Commission shall notify such agency of its findings and no further payments will be made to the State or other recipient under this title (or in its discretion further payments will be limited to projects under, or portions of, the plan not affected by such failure) until it is satisfied that there will no longer be any failure to comply.

#### TITLE V—COOPERATION IN PERSONNEL RECRUITMENT AND EXAMINATION

Sec. 501. The Commission is authorized to join, on a shared-cost basis, with State or units of general local government or both, in cooperative recruitment or examinations under such regulations as may be jointly agreed upon.

Sec. 502. The Commission is authorized, upon written request from a State, a unit of general local government thereof, or both, and under such regulations as may be jointly agreed upon, to certify to such agencies, from appropriate registers, a list of eligible personnel who have successfully completed such examinations and satisfied such requirements as the Commission has prescribed, upon the payment by the unit of government making the request, of the salaries and such other costs for performing such service.

Sec. 503. The terms of reimbursement for the service authorized under section 502 shall be determined by the Commission. All moneys received by the Commission in payment for furnishing such service authorized shall be deposited to the credit of the appropriation of the Commission.

#### TITLE VI—AUTHORITY FOR INTERSTATE COMPACTS

Sec. 601. To promote higher personnel standards and mobility of qualified personnel, particularly professional, administrative, and technical personnel in shortage categories, the consent of the Congress is hereby given to any two or more States to enter into compacts or other agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance (including the establishment of such agencies, joint or otherwise, as they deem desirable) for the administration of personnel and training programs for officers and employees of State and local governments.

#### TITLE VII—DEFINITIONS

When used in this Act,

State

Sec. 701. The term "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the governments of the political subdivisions of any State.

#### Merit System

Sec. 702. "Merit system" means a planned State or local operation to develop and maintain an efficient career service, under public rules, which among other provisions include appointment through competitive examination, nondiscrimination in race, politics or religion, equal pay for equal work, tenure contingent on successful performance, and promotion on evaluated capacity and service.

#### Metropolitan Unit of General Local Government

Sec. 703. "Metropolitan unit(s) of general local government" means any city or comparable general-purpose political subdivision of a State with a population of 100,000 or more, as determined by the most recent Federal census, or any county or parish with such population which includes a city or comparable subdivision with a population of 50,000 or more, as determined by such census.

#### Non-metropolitan Unit of General Local Government

Sec. 704. "Non-metropolitan unit(s) of general local government" means any city, county, parish, town, village or other general-purpose political subdivision of a State, except such units of general local government as are included in section 703 of this Act.

There being no objection, the bill and the section-by-section analysis was ordered to be printed in the RECORD, as follows:

#### SECTION-BY-SECTION ANALYSIS OF THE INTER-GOVERNMENTAL PERSONNEL ACT OF 1966

##### Section 1. Short title.

Section 2. Declaration of Policy. Under our federal system and in an increasingly complex society, effective State and local governments are indispensable. Their efficiency and administrative competence is of national concern, particularly since many programs they administer are federally financed. The application of merit systems of personnel administration in certain federally aided programs has contributed to their efficiency, and such systems should be extended to other grant programs. Federal financial and technical assistance should also be made available to State and local governments to strengthen their overall personnel administration. The Federal Government should encourage and assist in the continuing training and development of State and local employees, particularly in professional, administrative and technical fields, in order to improve the capability of the public service.

The Act recognizes that the success of the joint-action programs enacted by the Congress and the State legislatures is vitally affected by the caliber of State and local personnel administering them. It recognizes that all levels of government involved in these joint ventures—including the Federal Government—have not only a right but a duty to take steps to see that such programs are efficiently administered and that the funds provided are used effectively to accomplish the purposes prescribed by law. The Act, then, is designed to assist State and local governments in strengthening their partnership role in the federal system.

States and localities are facing critical problems in the recruitment, selection, and retention of well-qualified personnel for new and expanded programs. This shortage is acute in the upper levels, both in the public and private sectors of the economy. The State and local financial and technical resources for public personnel administration and staff development, however, have not kept pace with the growth of the programs they administer. Yet, qualified personnel and sound personnel policies are absolutely essential to effective governmental operations.

The Act proposes to build on the inter-governmental personnel experience in certain grant-in-aid programs. It would make matching grants and technical services available to State and local governments for the improvement of their overall personnel administration. It would encourage cooperative efforts in recruitment and training on an interlevel and interstate basis. It would make available Federal training facilities and also provide grants and technical assistance for training. Thus, it balances the need

to foster dynamic personnel systems for recruitment of State and local staffs of high capacity with an effort to assist in their continuous development.

**TITLE I—EXTENSION OF THE MERIT SYSTEM IN FEDERALLY AIDED PROGRAMS**

This title authorizes the President, in order to achieve greater efficiency in administration of programs financed with Federal funds, to extend to additional programs the requirement that State and local personnel in such programs be employed under a State or local merit system meeting Federal standards. No Federal authority would be exercised over the selection, tenure of office, or compensation of any individual employed in accordance with such systems.

This pattern of administration is now applicable in the various public assistance, child health and welfare, public health, employment service and unemployment insurance, civil defense, and aging programs. The merit system requirement was originally enacted for programs under the Social Security Board. This action was taken by Congress in 1939 after some three years' experience without such a requirement demonstrated the need for it to assure program effectiveness and economy. It has been expanded over the years, most recently by the 89th Congress in the medical assistance title of the Social Security Act and in the Older Americans Act of 1965.<sup>1</sup>

The Division of State Merit Systems of HEW has served for more than a quarter of a century as the Federal interdepartmental unit concerned with State and local personnel administration. Under common Federal standards for the application of the merit system in various grant programs administered by the Departments of HEW, Labor and Defense, it has provided coordinated Federal technical and advisory services on State and local personnel management.

Under this title, the President, at his discretion, would determine if and when to extend the merit system requirement to other programs. He would be free to take into account such factors as he deemed relevant. Such criteria might include the proportion of Federal funds involved or the experimental nature of the program.

**TITLE II—GRANTS FOR STATE AND LOCAL PERSONNEL ADMINISTRATION**

Section 201 expresses the threefold objective of this title to provide Federal grants to enable each State to 1) strengthen its system of personnel administration, 2) provide State personnel services to nonmetropolitan local governments, and 3) stimulate projects for the improvement of personnel administration in metropolitan units of general local government (as defined in Section 703 of this Act).

Section 202 authorizes \$8 million, \$10 million, and \$15 million, respectively, to carry out the purposes of this title.

*Grants for State personnel administration*

Section 203 provides that grants will be made to States which have approved plans for State personnel administration under an allotment formula which gives weight to the number of employees under the State merit system and the financial ability of the State. The Secretary of Health, Education, and Welfare is assigned the responsibility of administering this program in recognition of the fact that HEW's Division of State Merit Systems has the greatest experience in the area of State personnel administration.

Section 204 lists the major elements a State plan must have to be approved. These

include designation of a State agency, conformity with Federal standards, provision for State matching funds and a description of the program for improving and strengthening personnel administration. The program may include expansion of the scope of the merit system; plans to meet manpower needs in new and expanding State programs; improvement of services in recruitment, examinations, classification and pay plans; development of auxiliary types of positions to supplement professional staff in short supply; research and demonstration projects; and interdepartmental and intergovernmental cooperation in personnel administration.

*Grants for State personnel services to non-metropolitan local governments*

Section 205 provides that the Secretary of Health, Education, and Welfare shall make grants annually to States which have approved plans for State personnel services to nonmetropolitan local governments under an allotment formula which gives weight to the number of local governments and employees to be served, the scope of the services to be provided, and the financial ability of the State.

Section 206 lists the major elements a State plan for services to nonmetropolitan local governments must have to be approved, including State or local matching funds. It provides that these services to local governments may include: coverage of local employees under the State merit system; technical services from the State in such areas as recruitment, examinations, classification and compensation plans; cooperative research and demonstration projects; and cooperative arrangements (including interchange of personnel) among units of local governments or between State and local governments.

The States and localities could strengthen personnel operations for nonmetropolitan units of government in a variety of ways. The plan may not only vary from State to State, but may provide for differentiated services within a State depending on the size and needs of the local governments. The services may vary from complete coverage of local employees under the State merit system to limited services to meet specific local needs. The latter might include recruitment of specialized personnel or demonstration projects for improved classification plans.

*Grants for personnel administration in metropolitan areas*

Section 207 provides that the Secretary of the Department of Health, Education, and Welfare shall make payments annually to States (and alternatively under Section 209 to local governments in metropolitan areas) which have approved projects for personnel administration, with State or local financial participation to the extent of one-third of the costs of the projects. Standards governing the distribution of such grants shall be made by the Secretary of HEW with the concurrence of the Secretary of Housing and Urban Development.

Section 208 provides that approved projects may include manpower planning and utilization; improvement of classification and compensation plans and of recruitment and examining; research for the improvement of the selection and the development of disadvantaged persons whose capacities are not being used; developing auxiliary positions in shortage occupations; improvement of management techniques, such as electronic data processing, in personnel operations; and developing cooperative activities in such areas as recruiting and examining by government jurisdictions in a metropolitan area.

Metropolitan governments are facing new and acute problems with limited resources

in personnel administration. This title is designed to provide for innovative projects of various kinds to meet special needs. This may involve the application of tested personnel methods or the demonstration of new techniques. Local governments vary greatly in both their organization for personnel administration and the level of its effectiveness. Many factors explain this, including the administrative and political traditions of the jurisdiction, the statutory base and the financial support for personnel administration, and public attitudes. Since the scope and quality of personnel operations vary, the Act permits projects to be designed realistically to meet specific needs for improvement.

Section 209 provides that if a State has not submitted any projects (under section 208) receiving approval within one year after the enactment of this legislation, the metropolitan unit of general local government may submit projects for approval.

Section 210 provides that this title will be administered by the Secretary of Health, Education, and Welfare. The criteria for metropolitan projects, as was noted previously, would be established with the concurrence of the Secretary of Housing and Urban Development.

The intent of this section is to utilize the experience in intergovernmental personnel relations of the Department of Health, Education, and Welfare's Division of State Merit Systems in various grant-in-aid programs. At the same time, the responsibility of the Department of Housing and Urban Development with respect to urban personnel administration would be recognized by its required concurrence in the development of criteria for metropolitan personnel projects. The Federal approach would be coordinated, taking into account the Federal interest in the various grant programs and the differential needs for State and for local nonmetropolitan and metropolitan administration. Technical services, as well as financial assistance, would be available to strengthen State and local personnel administration.

Section 211 provides for withholding of funds after notice and hearing for noncompliance with approved plans or projects.

**TITLE III—AUTHORIZATION FOR TRAINING**

This title permits, upon request of the respective State and local governments, the attendance of State and local employees at Federal training courses; it authorizes Federal agencies administering grant programs to conduct training for State and local professional, administrative, and technical personnel; and it provides that Federal funds granted to State and local governments for the administration of joint programs may be used to conduct training or for educational leave.

Cooperative relationships in the field of training have, in recent years, developed to such an extent that they are becoming common practice. Even so, most of them are limited to particular types of training offered by one Federal department or agency to employees in counterpart State and local agencies. That the F.B.I. Academy provides certain training for law enforcement officers for both State and local governments is well known. Not so well known is the fact that many other Federal departments and agencies also offer training to State and local officers and employees. Among these are the Department of Agriculture, the Food and Drug Administration, the Forest Service, the Internal Revenue Service, the Public Health Service, and many more.

This title builds on these precedents and extends authority to all Federal departments and agencies to make their training programs available to counterpart State and local officers and employees. It does not limit existing training authorizations.

<sup>1</sup> Cf. U.S.C. Title 42, Sec. 302(a)(5), Sec. 503(a)(1), Sec. 703(a)(3), Sec. 712(a)(3), Sec. 723(a)(2), Sec. 1202(a)(5), Sec. 1352(a)(5), Sec. 2674(a)(5); and U.S.C. Title 50, Sec. 2236(a)(4).

TITLE IV—GRANTS FOR TRAINING OF STATE AND LOCAL EMPLOYEES

Section 401 states the purpose of this title: to promote higher levels of performance in the public service and to develop employee potential through Federal assistance to State and local governments for initiating and carrying out training programs in fields where such Federal assistance is not already provided under existing grant-in-aid or other statutes.

Section 402 authorizes \$10 million for fiscal 1967, \$25 million for 1968, and \$50 million each for 1969, 1970, and 1971 to carry out the stated purpose of this title.

Section 403 provides that the Civil Service Commission shall make grants to States (and, alternatively under Section 405, to local governments) which have approved plans for training under an allotment formula which gives weight to the number of State and/or local employees and governments to be served, the scope of the services to be provided, and the financial ability of the State.

Section 404 lists the major elements a State plan for training must have to be approved under Section 403. These include: designating the State agency to administer the training plan; setting forth the program of training, with educational leave for periods of over one month limited to career personnel; providing for continuing assessment of training needs; establishing standards for the selection of personnel for training and their subsequent utilization; and issuing policies and standards for the selection of university or other nongovernmental facilities and for the types of agreements to be entered into for such training; providing for financial participation from State, local or private sources to the extent of one-fourth of the total training costs.

Section 405 provides that if within a year after the enactment of this legislation a State has not received approval for projects which provide at least as much training for local employees as for State employees, then the local governments may submit plans for such training.

Section 406 authorizes the U.S. Civil Service Commission to administer the provisions of this title and to furnish technical assistance to State or local governments. The Commission is assigned this responsibility because of the extensive experience it has acquired through its own career development training program for Federal employees. The Commission is also authorized to prescribe the regulations necessary to carry out the purposes of this title. Local plans for training must be consistent with criteria established in regulations issued with the concurrence of the Secretary of Housing and Urban Development.

Section 407 provides for the withholding of funds after notice and hearing for noncompliance with approved plans.

TITLE V—COOPERATION IN PERSONNEL RECRUITMENT AND EXAMINATION

This title authorizes the U.S. Civil Service Commission to cooperate with State or local governments on a shared-cost basis in cooperative recruitment or examinations.

TITLE VI—AUTHORITY FOR INTERSTATE COMPACTS

This title authorizes any two or more States to enter into compacts or other agreements for cooperative efforts and mutual assistance for the administration of personnel and training programs for officers and employees of State and local governments. The purpose is to promote higher personnel standards and mobility of qualified personnel, particularly professional, administrative, and technical personnel in shortage categories.

When the compact clause of the Constitution was framed and adopted, it was appar-

ently feared that it might be improperly used. Thus, it was further assumed that each proposed compact would be carefully examined and debated as a part of the consent procedure. This procedure often is no longer fully adhered to. The Congress has on numerous occasions given prior consent, and in 1948 when the Southern Regional Education Compact was under consideration, the point was made that no formal consent was required for two or more States to perform cooperatively an activity that each has the power to perform individually.

TITLE VII—DEFINITION

This title provides definitions of the terms "State," "merit system," "metropolitan unit of general local government," and "non-metropolitan unit of general local government."